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Northwest Municipal Cable Council

DEC 14 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the Federal Communications Commission
Washington, DC 20554

In the Matter of)
Implementation of the)
Cable Television Consumer)
Protection and Competition)
Act of 1992)
Cable Home Wiring)

MM Docket No. 92-260

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To: The Commission

Reply Comments of
The Northwest Municipal Cable Council

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the Federal Communications Commission
Washington, DC 20534

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To: The Commission

Reply Comments of
The Northwest Municipal Cable Council

The Northwest Municipal Cable Council, on behalf of their member and participating non-member communities, reply to comments filed by various municipal groups, various cable operators, the USTA and the NCTA in the matter of cable home wiring.

The first observation you have to have when reading the various comments is that the filers are deeply entrenched in the over zealous roles of being adversaries. While engaged in the award winning performances of the saviors of revenues versus the consumer white knights, the people whom this legislation was written for, the consumers, seem to be left in the dust. The primary focus of the Cable Council is to ensure that our constituents receive the best possible service at reasonable rates.

This puts us in the unusual position of supporting comments made by TCI, to a point. TCI is the cable provider for 17 north and northwest suburbs in Illinois. The current policy is that the wire stays in the customers home after disconnection. It costs more to remove it than it is worth. During negotiations to modify the franchise agreements, TCI asked that we include a provision in our franchises stating that "the cost of removal of equipment or cable which is not part of a standard disconnection shall be borne by the owner." Up until the customer disconnects, TCI retains ownership and responsibility for maintenance and repair.

TCI stated that the current policy should remain for existing customers. With the cost of installation in this area at \$60.00, they have been well paid for the cable. Though we have not been privy to tax information, we presume there must be some tax benefit to retaining ownership that outweighs the cost for repair.

TCI has also modeled their installation policies after the phone company's. They provide the service to the house, connected to one set for the \$60.00 installation. From there the customer has the option of wiring additional sets themselves, or paying TCI a \$40.00 installation per set. There is no additional monthly charge on these additional outlets unless the customer requires equipment. The customer who needs a converter or a remote has the

option of purchasing one or renting one from TCI. These policies have kept the overall rates down and have worked well.

Where we disagree is when we come to the new subscribers owning the cable and the operator having access. This brings in the probability of a whole new rate structure and revenue stream and will basically amount to an immediate increase in rates. Though it is rare that there is a problem with the inside wiring in either cable or phone service, if a problem does exist it could cost quite a bit to repair. Illinois Bells solution to this problem is \$1.75 per month line backer charge. The commission would not only have to address the fees, but also the issue of who is responsible for leakage.

Time-Warner and the NCTA believe that after paying for installation and being responsible for maintenance and repair of the cable, that the customer should have to pay an additional charge to purchase the cable upon disconnection. That is ludicrous. As a consumer, it would make sense to make them roll a truck at an average cost of \$40.00, which is probably an outdated figure, and pay to repair any damage caused by the removal including the patching and painting of walls.

USTA believes that installation and wiring are two separate issues, of course subject to separate prices. This would help to justify the outrageous charges for installation of phone service. Illinois Bell charges \$34.50 just to take your order. It costs an additional \$20.50 for them to connect an existing line. If you want them to install a line, it costs you \$35.00 for them to come to your door, and an additional \$17.50 for every 15 minutes or any part of. The intent of the legislation is to control rates, not cause an explosion of new revenues for existing service.

Another discussion has evolved around disconnection for non-payment and signal theft. It seems preposterous that either problem can be resolved by the removal of inside wiring.

The policy first has to take in consideration what is best for the consumer. Second, it needs to reflect the intent of the legislation to control rates. Third, it needs to address responsibility for repair, maintenance, and most importantly, leakage. In an ideal world, it would be wonderful if the consumer could cut his installation costs by installing his own cable. In the real world, most customers would not know how to do it correctly and would pose a possible leakage problem. To charge the customer with the responsibility for repair and maintenance and the operator with responsibility for leakage would be an administrative nightmare. How do you draw the line between the two, and how would you keep any control over service call charges?

Conclusion

TCI's current policy works. Home wiring was not viewed as a revenue source before reregulation, and should not be considered one now. We would agree that the current installation charges should be reduced for those who already have existing wiring. Only in that case should there be separate charges allowed for installation and wiring. There should not be an additional charge applied to a \$60.00 installation charge. Because the cable operator has to be responsible for leakage, they need to be responsible for the maintenance and


repair of that cable as well, with the exception of intentional damages. If they get a tax break, that's great. It would present an administrative burden to try to separate the responsibilities and to control charges for service calls.

If a subscriber disconnects, the cable should be considered abandoned. The next service provider, regardless of whether it is the previous provider or a new provider, should test the line to make sure it is in good condition as part of the installation process. Again, because the provider must be responsible for leakage, they must also be responsible for maintenance and repair. Let them have the tax break. Don't burden the consumer with additional responsibilities and charges.

The issue of wiring in the common areas of an MDU brings about more questions. Would the cable operator really be interested in removing the wiring? Probably not. As the NCTA stated, it seems unfair on the other hand that wiring in an MDU could be used by a competitor. It is unlikely that the owners of the MDU would want two sets of wires, but if true competition comes to fruition that would probably be the case anyway. Therefore, the cable operator should retain ownership for the life of the franchise. Competitive services should not be allowed to use that wire during that period.

Overall, the entire issue of home wiring has not been a major problem in the past. We hope that it does not become one now. "If it ain't broke, don't fix it."

Respectfully Submitted,



Carole Stannard-Gabor
Executive Director